

Case No.

1578

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1578

TRANSCRIPT OF HEARING

JANUARY 7, 1959

DEARNLEY . MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

-----:
IN THE MATTER OF: :

Case 1578 Application of Amerada Petroleum Corporation :
for a dual completion. Applicant, in the :
above-styled cause, seeks an order autho- :
rizing it to dually complete its Turner Well :
No. 1 located in the SW/4 SW/4 of Section :
17, Township 20 South, Range 38 East, Lea :
County, New Mexico, in such a manner as to :
permit the production of oil from an undes- :
ignated Abo pool and oil from the Warren- :
McKee Pool through parallel strings of :
tubing. :

-----:
Mabry Hall
Santa Fe, New Mexico
January 7, 1959

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case on the docket will be 1578.

MR. PAYNE: Case 1578, "Application of Amerada Petroleum Corporation for a dual completion."

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, New Mexico, representing the applicant.

If the Examiner please, I think while a different formation is involved in part in Case 1579, it might save some time if the Examiner cared to consolidate the two cases. We will try to separate the testimony at the proper points.

MR. UTZ: I think we'd just as well keep them separate.

MR. KELLAHIN: Fine.

(Witness sworn in).

(Whereupon, the documents were marked as Applicant's Exhibits One, Two and Three for identification.)

RICHARD E. BROCHAT

called as a witness, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A My name is Richard E. Broschat.

Q By whom are you employed, Mr. Broschat?

A Amerada Petroleum Corporation.

Q In what position?

A I am the District Engineer at Monument, New Mexico.

Q Have you previously testified before this Commission as a Petroleum Engineer and have your qualifications been accepted?

A Yes, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: They are acceptable.

Q (By Mr. Kellahin) Mr. Broschat, are you familiar with the application in Case 1578?

A I am.

Q Is the subject well under your jurisdiction?

A Yes sir, it is.

Q Now, under the terms of that application, what is proposed, Mr. Broschat?

A Under the terms of this application, we propose to dually complete the Fred Turner, Junior Number 1 in the McKee and the Abo formations.

Q Is the Warren-McKee a designated pool?

A Yes, sir.

Q And recognized as such?

A Recognized as such.

Q In this area where the Abo formation is involved, is that in a designated pool?

A It is not within the limits of any designated pool.

Q Referring to what has been marked as Exhibit One, will you state what that shows?

A Exhibit Number One is a plat showing a portion of the Warren-McKee field. The subject well, the Fred Turner, Junior Number 1, is circled in red. This exhibit shows the location of all offsetting wells and the lease ownership in this area.

Q Referring to what has been marked as Exhibit Number Two, would you state what that shows and describe it?

A Exhibit Number Two is a diagrammatic sketch of our proposed dual completion. This exhibit shows our casing program, it shows the 13 3/8 set at 2358 feet, 8 5/8 intermediate string set at

5730 and the 5 1/2 inch production casing set at 9300 feet. It shows the perforations in the Abo formation from 7250 to 7600, perforations in the McKee from 9,012 to 9,098, and we have a Baker Model "D" production packer set at 8925 feet.

Q Is the well presently producing, Mr. Broschat?

A The well is presently producing from the McKee formation.

Q Is that formation flowing or pumping?

A It's flowing.

Q Do you anticipate that the Abo will flow?

A We are not sure, we may have to pump it.

Q With the type of proposed dual completion contemplated, is it practical and in the interests of conservation and protection of the two formations to install pumping equipment?

A Yes, it will be possible to install pumping equipment.

Q What size tubing do you propose to use?

A We will use 2 1/16 inch Hydrill CS tubing.

Q Will the type of completion you are proposing permit you to make any and all tests for packer leakage or tests which may be prescribed by the Commission?

A Yes sir, it will.

Q And is it a standard type of dual completion?

A It is a standard type of dual completion.

Q Is it a type that has been recognized by this Commission?

A Yes, sir.

Q In your opinion, will that installation be adequate to protect the two producing formations involved?

A Yes, it will.

Q And in the event that workover or treatment of either zone is necessary, will this type of completion permit that?

A Yes, it will.

MR. KELLAHIN: That's all the questions I have.

Q (By Mr. Kellahin) Sorry. Now, do you have a log on the subject well?

A Yes, sir.

Q And is that marked as Exhibit Number Three?

A I haven't marked it, but we plan to use it as Exhibit Three. This well shows the perforations in the Abo and McKee formations.

Q Has any test been made of the Abo formation as yet?

A No sir, we haven't.

Q Were Exhibits One, Two and Three prepared by you or under your direct supervision?

A Yes, they were.

MR. KELLAHIN: At this time, we offer in evidence Exhibits One, Two and Three.

MR. UTZ: Without objection, Exhibits One, Two and Three will be accepted.

MR. KELLAHIN: That's all the questions I have.

MR. UTZ: Mr. Broschat, do you have any pressure estimate or information on these two zones?

A Yes, I do. The original bottomhole pressure in the McKee formation--I believe this well was completed in 1951--was 3468 PSI at minus 5500. On the last bottomhole pressure run on the well May 18, 1958, the bottomhole pressure was 1,027 PSI. We did run a bottomhole pressure in the Abo and the bottomhole pressure at minus 3900 was 1341 PSI.

MR. UTZ: 1341?

A Yes, sir.

MR. UTZ: How about gravity?

A The gravity of the McKee is 44 degrees, and in the Abo, we believe it is between 38 and 41 degrees.

MR. UTZ: What type crudes are both of these zones?

A The McKee is a sweet crude, and I am not sure about the Abo.

MR. UTZ: The McKee has dropped from 3468 originally to 1,027 on your last --

A Yes, sir.

MR. UTZ: Are there other questions?

MR. FISCHER: What is the Abo original bottomhole pressure on your test?

A 1341 PSI.

MR. FISCHER: I have another question, Mr. Examiner. What is the IP of that 5 1/2 inch casing?

A I don't believe I have that information with me,
Mr. Fischer.

MR. FISCHER: Do you have an idea of what it is?

A I can give you the weight of the pipe. We ran 15 1/2
pound, 17 pound and 20 pound casing.

MR. FISCHER: Do you know what your clearance would be
inside when you put both strings of Hydrill in it?

A No, I'm afraid I don't have that information with me.

MR. FISCHER: Both of those strings of Hydrill will be
bull plugged, will they?

A We dropped standing valve cages in each of the strings
to keep them from going out of the tubing.

MR. FISCHER: All right, that's all I have.

MR. UTZ: Mr. Broschat, would you be willing to run any
tests the Commission may require to prove the separation between
these two zones?

A Yes sir, we certainly would.

MR. UTZ: Are there any other statements to be made in
this case?

The witness may be excused.

(Witness excused).

MR. UTZ: If there are no further statements, the case will
be taken under advisement.

STATE OF NEW MEXICO)
 : ss
 COUNTY OF BERNALILLO)

I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype and that the same was reduced to typewritten transcript by me and contains a true and correct record of said hearing, to the best of my knowledge, skill and ability.

DATED this 21st day of January, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

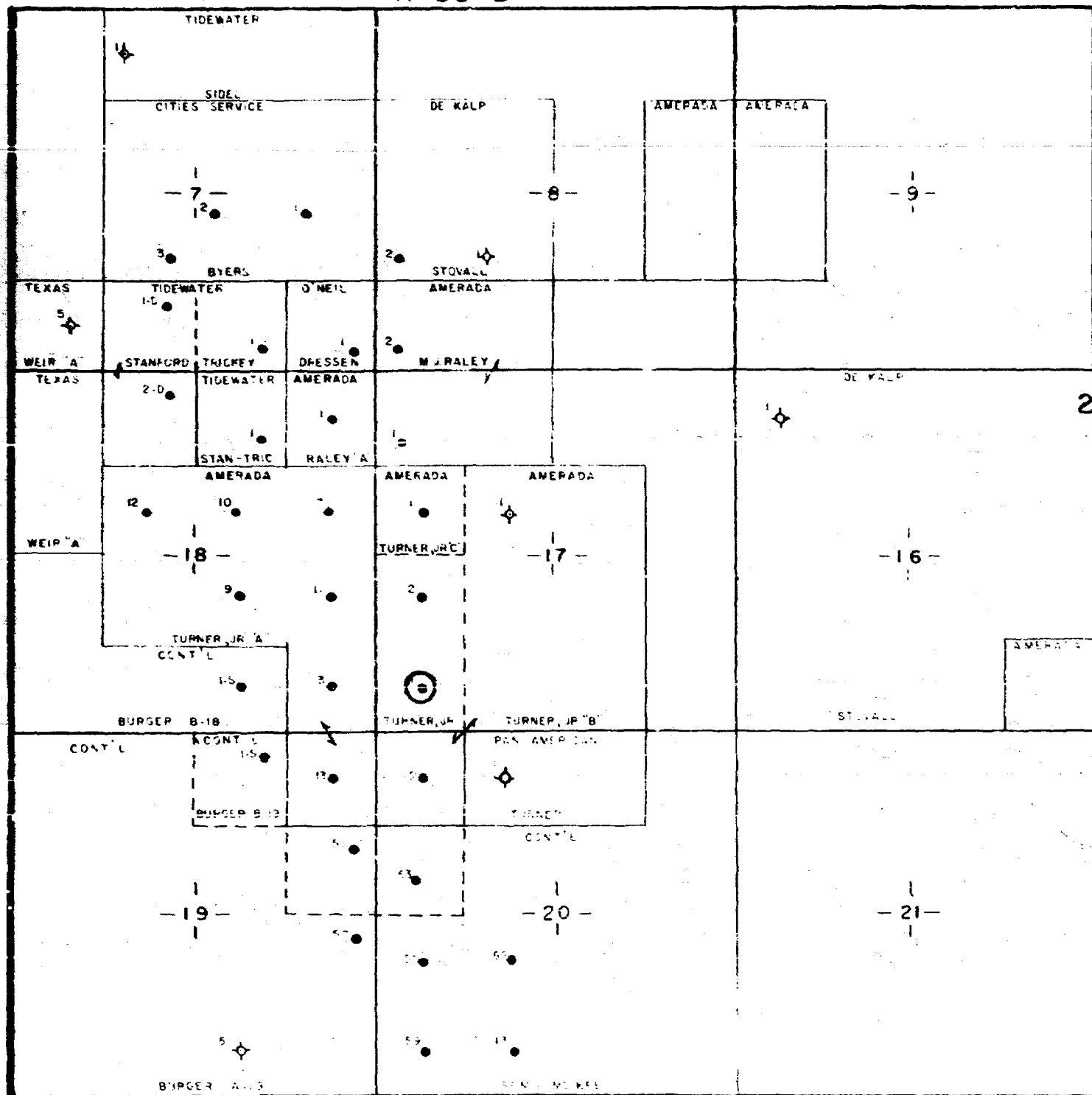
Jerry Martinez
 Notary Public

My Commission Expires:
 January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1528, heard by me on Jan 21, 1959.

James R. [Signature], Examiner
 New Mexico Oil Conservation Commission

R-38-E



WARREN-McKEE FIELD

Scale: 1" = 2000'

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Amerada EXHIBIT NO. 1
CASE NO. 1528

Case No. 1578
Exhibit No. 1

Case 1578

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Warren-McKee		County Da	Date December 2, 1958
Operator Amerasia Petroleum Corp.		Lease Fred Turner, Jr.	Well No. 1
Location of Well M	Section 17	Township 20-S	Range 30-E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☐ NO ☒

2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.: _____

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Abo Under	McKee Warren McKee
b. Top and Bottom of Pay Section (Perforations)	7250'-7600'	9012'-9098'
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing

4. The following are attached. (Please mark YES or NO)

Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.

Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.

Yes c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*

Yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Continental Oil Company - Box 427 - Hobbs, New Mexico

Tidewater Oil Company - Box 547 - Hobbs, New Mexico

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☒ NO ☐ . If answer is yes, give date of such notification **12-11-58**

CERTIFICATE: I, the undersigned, state that I am the **District Superintendent** of the **Amerasia Petroleum Corp.** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

*Docket mailed to
Capps & Christie 12-29-58
BP*

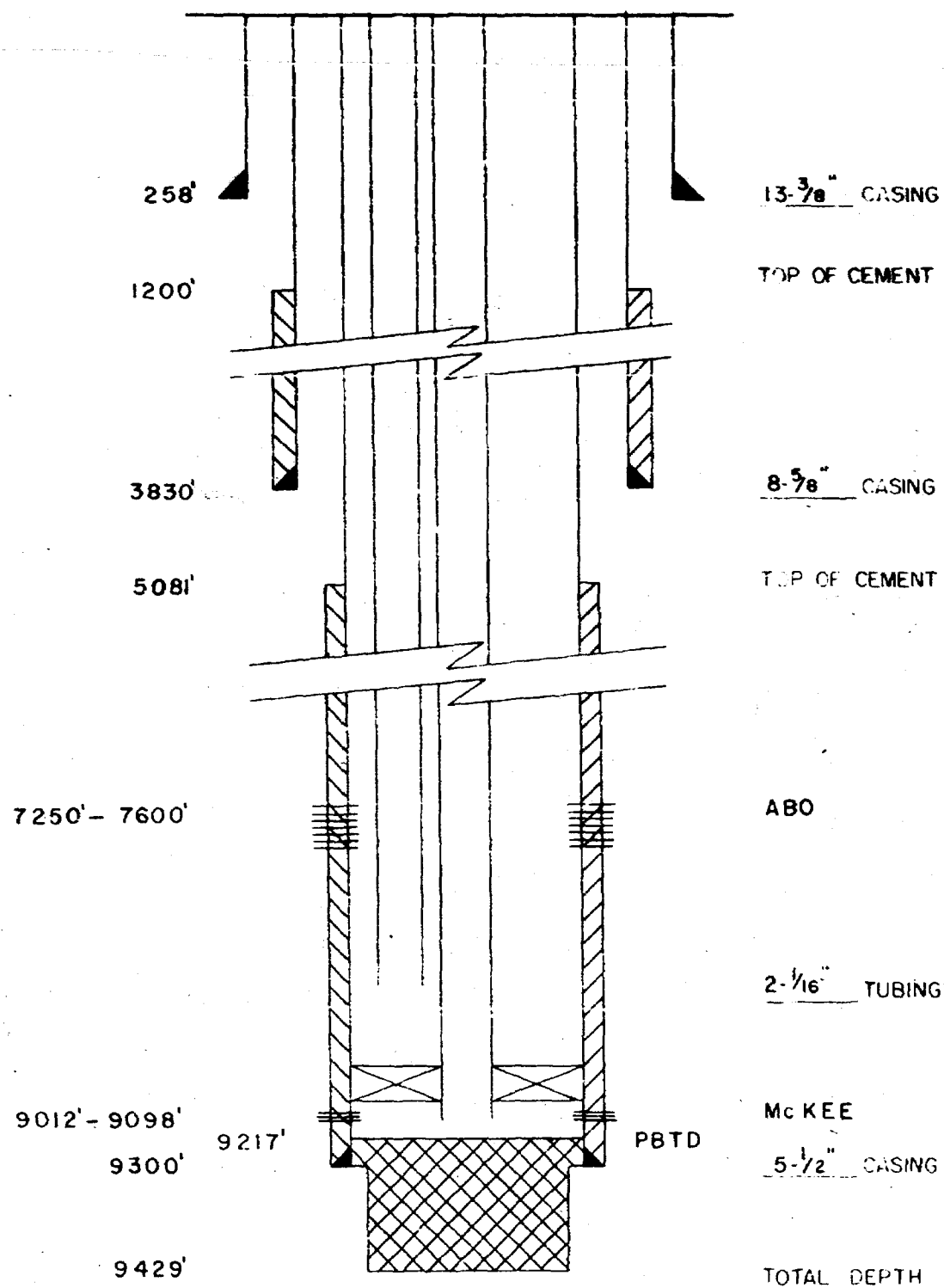
K.C. Capps
Signature

* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

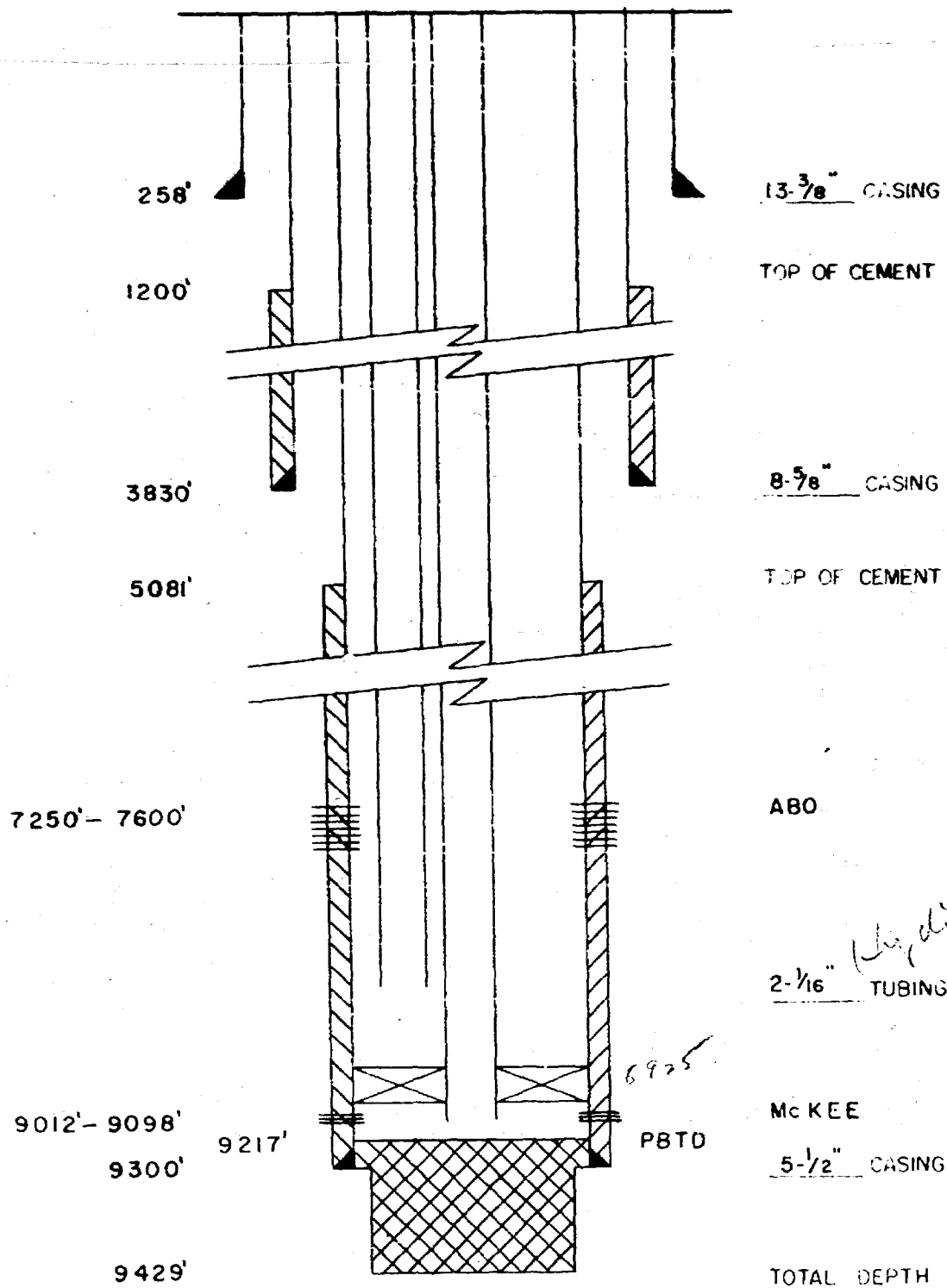
NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

The map displays the Texas Panhandle region, bounded by the Texas-Oklahoma border to the north and the Texas-New Mexico border to the east. Major oil fields are labeled, including TIDEWATER, CITIES SERVICE, DE KALP, AMERADA, TEXAS, WEIR 'A', STANFORD, THICKEY, DRESSEN, MURLEY, STAN-TRC, RALEY 'A', TURNER, RC, TURNER, IP 'A', CONTE, BURGER, B 19, ACONE, BURGER, B 20, TURNER, IP 'B', and PAN AMER. Well locations are marked with numbers 1 through 19. A circled well '1' is highlighted with an arrow. The map also shows major roads like I-40 and I-20, and the Texas-Oklahoma border. A scale bar at the bottom indicates distances in miles.

Scale: 1" = 2000'



AMERADA PETROLEUM CORPORATION
OIL-OIL DUAL
FRED TURNER, JR. NO. 1



AMERADA PETROLEUM CORPORATION

BEFORE EXAMINER UTZ OIL-OIL DUAL
OIL CONSERVATION COMMISSION FRED TURNER, JR. NO. 1

Amerada EXHIBIT NO. 2
CASE NO. 1578

Case No. 1578
Exhibit No. 2

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-7-59

CASE NO. 1578

HEARING DATE 1-7-59

My recommendations for an order in the above numbered case(s) are as follows:

approve Amerada's application for Duolac follows:

1. Well to be drilled is Amerada - Turner #1
660/S+W line 17-205-38E.
2. Two strings of 2 1/8" hybrid tubing to be used.
3. The Undesignated Abo (upper zone) and the Warren McKee (lower zone) to be separated by a Baker Model 'D' packer to be set at 8925'.
4. Balance of order usual Duolac order.

Thurston H. [Signature]

Staff Member

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

**CASE NO. 1578
Order No. B-1322**

**APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR AN OIL-OIL DUAL
COMPLETION IN AN UNDESIGNATED ABO
POOL AND IN THE WARREN-McKEE POOL,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 7, 1959, at Santa Fe, New Mexico, before Elvis A. Uitz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of January, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Uitz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Amerada Petroleum Corporation, is the owner and operator of the Turner No. 1 Well, located 660 feet from the South line and 660 feet from the West line of Section 17, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described Turner No. 1 Well in such a manner as to permit the production of oil from an undesignated Abo Pool and the production of oil from the Warren-McKee Pool through parallel strings of 2-1/16 inch Hydril tubing.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (5) That approval of the subject application will not cause waste nor impair correlative rights.

(6) That the subject application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Amerada Petroleum Corporation, be and the same is hereby authorized to finally complete its Warner No. 1 Well located 600 feet from the South line and 600 feet from the West line of Section 17, Township 20 South, Range 23 East, N.M.P.M., Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Abo Pool and the production of oil from the Warren-McKee Pool through parallel strings of 2-1/16 inch Hydril tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Warren-McKee Pool.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

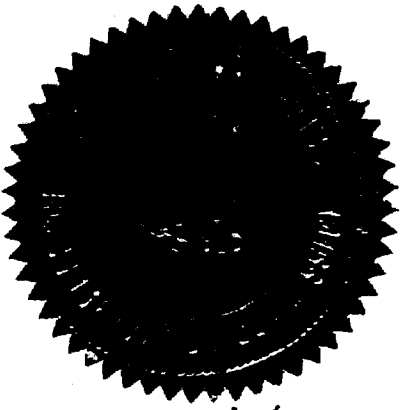
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray F. Morgan
MURRAY F. MORGAN, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 15, 1959

Mr. Jason Kellahin
Kellahin & Fox
P.O. Box 1713
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Amerada Petroleum Corporation, we enclose two copies of Orders R-1322 and R-1323 issued January 14, 1959, by the Oil Conservation Commission in Cases 1578 and 1579, respectively, which were heard on January 7th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

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Encls.

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